



Immediate Supply of Information on VAT

SII



1. ANALYSIS OF THE SYSTEM:

WHAT IS

WHO

WHY

HOW

2. REGULATORY CHANGES

3. ASSISTANCE SERVICES

4. VALIDATIONS

5. CONCLUSIONS



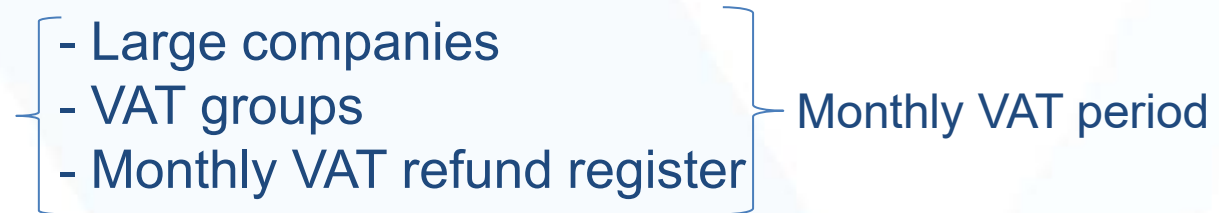
1.1. WHAT IS THE SII?

- In July 2017 the SII was a CHANGE to the VAT management system
- Since then, the VAT record books are keeping through the Spanish Tax Agency's e-Office by reporting the INVOICE DATA:
The invoice is not sent, nor is it an electronic invoice
- The transmission is made IMMEDIATELY which allows to shorten the time between the reporting of the invoice and the effective economic transaction performance
- Once the initial challenges have been overcome, this system is now fully implemented and highly level appreciated among the businesses



1.2. WHO IS AFECTED? SUBJECTIVE SCOPE

- Mandatory



- Voluntary (quarterly VAT period): at any time
The option will be valid for at least one year

- It is a collective of **78,000 companies** which makes up **80% of the total VAT invoicing in Spain**. In 2022, the number of invoices reported were:

- 2,450,000,000 of issued invoices
 - 777,000,000 of received invoices



1.3. WHY? OBJECTIVES

- **ASSISTANCE TO THE TAXPAYER:**
On-line VAT record books and data cross-checking
On-line draft VAT return

- **IMPROVEMENT IN CONTROL:** New control model with information available immediately



SII: advantages for taxpayers

1. Simplification of formal obligations:

- Removal of informative obligations:
 - Forms **347, 340 and 390**

2. Cross-checking information:

- Possibility of offering “**Invoice data**“:
In the Electronic Office, a "declared" and "contrasted" Record Book with the cross-checked information (from suppliers and customers who apply this system) is available.
- Reduction in errors in compliance with formal obligations and in the tax returns themselves

3. Increase in the deadline to submit the VAT return:

- First 30 calendar days of the month following the monthly VAT period



SII: Improvement in B2B control

1. **Anticipate the information:** the time of accounting for invoices is brought closer to the effective performance of the economic transaction
2. **The information is cross-checked if the customer and supplier apply the system**



1.4. HOW? Deadlines / transmission frequency

- **Issued invoices:** The invoice data must be sent no later than 4 calendar days, excluding Saturdays, Sundays and national holidays, after the invoice is issued

In any case, before the 16th of the following month of chargeable event takes place

- **Received invoices:** The invoice data must be sent no later than 4 calendar days, excluding Saturdays, Sundays and national holidays, after the invoice is included in the accounting systems

In any case, before the 16th of the following month of VAT deduction



1.4. HOW? Information to report

Invoices as such ARE NOT SENT

What is transmitted is invoices data

- **Records:** Record Books of Issued and Received Invoices, Investment Goods and certain Intra-Community Transactions (Domestic VAT Registers)
- The data is sent by the taxable person directly or by a third party on that person's behalf



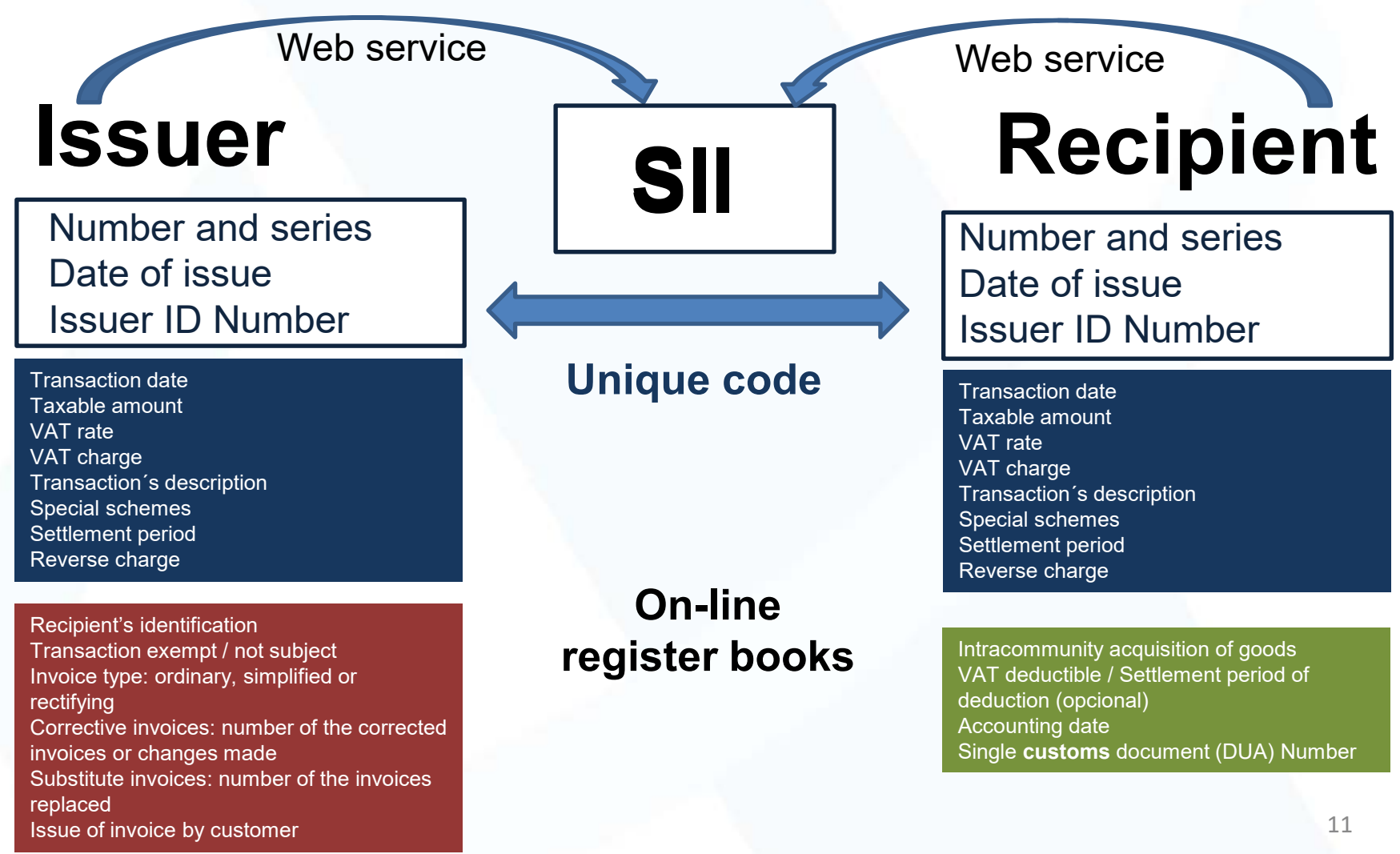
1.4. HOW? Reporting methods

1. Immediate transmission, continuously through a **"web service"**. From the invoicing system itself, the information (grouped according to process cycles) is sent with a margin of a few days from the issuance of the invoice

The communication is automatic; "machine to machine"

2. Fulfilment of a **"web form"** for those who make very few transactions. The information is sent invoice by invoice.

1.4. HOW? Information to supply



2. REGULATORY CHANGES

A) Amendments to Laws:

- **Law 37/1992 of 28 November on Value Added Tax (Art. 164)**
- **General Tax Law (Art. 200).** Taxpayer penalty for reporting with delay: Fine of 0.5 per cent of the invoice amount, with a quarterly minimum of €300 and a maximum of €6,000

B) Amendments to Regulations (RD 596/2016):

- **Royal Decree 1624/1992 of 29 December (Art. 62 to 71)**
- **Royal Decree 1619/2012 of 30 November (Art. 5 and 18)**
- **Royal Decree 1065/2007 of 27 July (Art. 32, 36 and 104)**



3. ASSISTANCE SERVICES

- Consultation and downloading of Record Books
- Cross-checking service. For each invoice, it supplies information of the data reported by the customer or supplier:

At the Spanish Tax Agency's e-Office, taxpayers have access to a "declared" and a "contrasted" Record Book

- An on-line draft VAT return
- A virtual assistant (AI) that automatically solves taxpayer's doubts
- Deadline calculator that indicates the deadline for reporting a specific invoice



**For the proper functioning of assistance services
and control,
the quality of the information reported is essential**

HOW DO WE GET IT?

VALIDATIONS



4. WHAT ARE VALIDATIONS?:



- Prior verification of the invoice data transmitted (technical and basic invoicing requirements)
- This verification is carried out by the public portal (Spanish Tax Agency's e-Office) when it receives the information from the company's software through the web service or from the web form:
 - Information without errors: the invoice can be reported
 - Information with non-invalidating errors: the invoice can be reported but the error must be corrected later
 - Information with invalidating errors: the invoice data is rejected

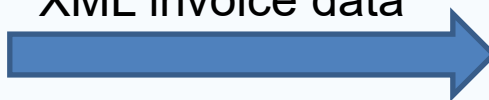


4. WHAT ARE VALIDATIONS?:

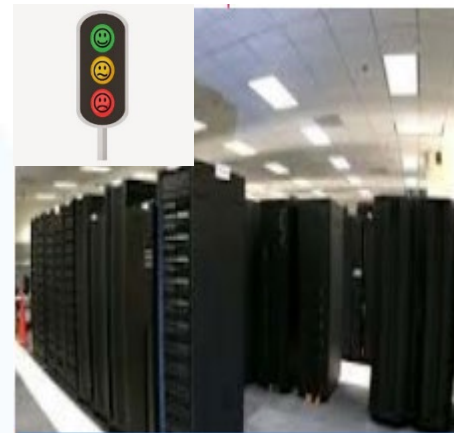
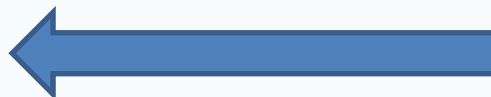


Company's system

XML invoice data



XML reply message



Spanish Tax Agency's system

- Validations do not affect effectiveness of the invoice!!!!:
 - The invoice has commercial value between the parties
 - The invoice can be deducted once included in the Record Book of received invoices after correcting the error



EXAMPLES OF INVALIDATING ERRORS:

EXAMPLE 1. The operation is not exempt but the invoice does not include the taxable amount, rate and VAT charge separately

EXAMPLE 2. The date of issue is later than the date the invoice is reported

EXAMPLE 3. The operation is a domestic transaction and the counterpart is identified with an invalid VAT number (census of businesses is checked)

EXAMPLE 4. The operation is an intra-Community transaction and the counterpart is identified with a VAT number with invalid structure (VIES is not checked)

EXAMPLE 5. The operation is an intra-community transaction and the invoice is simplified



XML reply message:
error code



5. CONCLUSIONS

Main features

- Information on a transaction-by-transaction basis (invoice data)
- Automated transmission. Validation by the public portal
- Deadline of 4 working days
- Cross matching of data declared by the supplier and by the customer
- B2B and B2C

Goals

- Improvement in the quality of information and in the amounts of VAT declared
- Increase VAT collection and control
- Reduce compliance costs for businesses

Modernizing management of VAT



More information in:

[Tax Agency: Immediate Supply of Information \(SII\)](https://agenciatributaria.gob.es)
[\(\[agenciatributaria.gob.es\]\(https://agenciatributaria.gob.es\)\)](https://agenciatributaria.gob.es)



Agencia Tributaria

Thank you for your attention



<https://sede.agenciatributaria.gob.es>